COMPANY RESULTS

Press Metal Aluminium Holdings (PMAH MK)

2Q25: Within Expectations; Expect Stronger 2H With New Alumina Expansion

1H25 results came in within expectations with earnings mainly driven by higher all-in aluminium prices. We expect a stronger 2H25 with the additional 1m tonnes of alumina capacity from its associate. PMETAL remains committed to long-term vertical growth via: a) developing a new alumina refinery in Indonesia (KAN) to strengthen supply integration, and b) expanding VAP production to enhance margins and profitability. Maintain BUY with a higher target price of RM7.00.

2Q25 RESULTS

Year to 31 Dec (RMm)	2Q25	qoq % chg	yoy % chg	1H25	yoy % chg
Revenue	4,188.9	7.5	5.9	8,086.2	6.8
EBITDA	776.2	15.4	(3.5)	(366.5)	(124.6)
EBIT	584.4	17.4	(5.7)	1,082.3	(3.4)
PBT	647.5	2.9	(6.7)	1,276.9	3.4
Net profit	483.6	4.7	(4.4)	945.3	3.4
Core net profit	500.6	11.8	(2.3)	948.3	1.7
Margins	(%)	qoq ppt chg	yoy ppt chg	(%)	yoy ppt chg
EBIT	14.0	1.2	(1.7)	13.4	(1.4)
PBT	15.5	(0.7)	(2.1)	15.8	(0.5)
Core net profit	11.9	0.5	(1.0)	11.7	(0.6)

Source: Press Metal Aluminium Holdings, UOB Kay Hian

RESULTS

- **Within expectations.** Press Metal Aluminium Holdings (PMETAL) reported 2Q25 core net profit of RM500.6m (+12% qoq, -2% yoy). This brings 1H25 core net profit to RM948.3m (+2% yoy), accounting for 49% of our and consensus full-year estimates, within expectations. We expect a stronger 2H, driven by the commencement of an additional 1m tonnes of alumina capacity from its associate, Nanshan Aluminium. The sequential earnings growth was driven by higher sales volume (following the resumption of full operations in end-Jan 25 after the fire incident) and lower alumina raw material costs. A second interim single-tier DPS of 2.0 sen was declared, which represents a payout ratio of 34%.
- **1H25 sales and core net profit jumped 7% and 2% yoy respectively.** This was due to higher all-in aluminium prices (LME aluminium prices: US$2,540/tonne in 1H25 vs US$2,363/tonne in 1H24). However, net profit grew by a modest 2%, mainly due to a higher effective tax rate resulting from provisions for the global minimum tax.

KEY FINANCIALS

Year to 31 Dec (RMm)	2023	2024	2025F	2026F	2027F
Net turnover	13,803	14,910	15,339	16,020	16,965
EBITDA	2,352	2,784	3,001	3,209	3,546
Operating profit	1,685	2,045	2,485	2,651	2,948
Net profit (rep./act.)	1,214	1,761	1,940	2,141	2,477
Net profit (adj.)	1,230	1,853	1,940	2,141	2,477
EPS (sen)	15.0	22.6	23.7	26.1	30.2
PE (x)	36.8	24.4	23.3	21.1	18.3
P/B (x)	6.5	5.3	4.6	3.9	3.4
EV/EBITDA (x)	21.3	18.0	16.7	15.6	14.1
Dividend yield (%)	1.3	1.3	1.2	1.2	1.4
Net margin (%)	8.8	11.8	12.6	13.4	14.6
Net debt/(cash) to equity (%)	45.8	27.8	22.4	13.8	4.6
Interest cover (x)	10.8	13.2	19.4	20.4	27.7
ROE (%)	17.9	22.8	21.1	20.0	20.0
Consensus net profit	-	-	1,940	2,246	2,495
UOBKH/Consensus (x)	-	-	1.00	0.95	0.99

Source: Press Metal Aluminium Holdings, Bloomberg, UOB Kay Hian

BUY

(Maintained)

Share Price	RM5.52
Target Price	RM7.00
Upside	+26.8%
(Previous TP	*RM6.26)*

COMPANY DESCRIPTION

Principally involved in the manufacture and trading of primary aluminium and other aluminium-based products.

STOCK DATA

GICS sector	Materials
Bloomberg ticker:	PMAH MK
Shares issued (m):	8,239.6
Market cap (RMm):	45,482.7
Market cap (US$m):	10,763.9
3-mth avg daily t'over (US$m):	5.3

Price Performance (%)

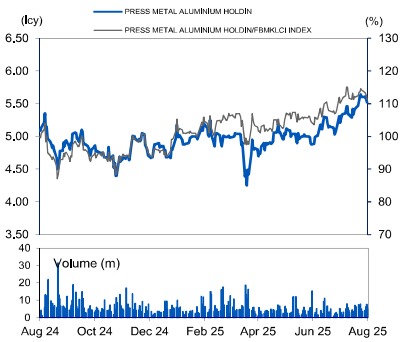
52-week high/low RM5.64/RM4.14

1mth	3mth	6mth	1yr	YTD
4.0	9.3	7.2	8.4	12.7

Major Shareholders	%
Alpha Milestone Sdn Bhd	33.8
EPF	6.8
Koon Poh Ming	6.2

FY25 NAV/Share (RM)	1.21
FY25 Net Debt/Share (RM)	0.28

PRICE CHART



Source: Bloomberg

ANALYST(S)

Ku Wei Xiang
+603 2147 1916
weixiang@uobkayhian.com

Desmond Chong
+603 2147 1980
desmondchong@uobkayhian.com

STOCK IMPACT

- **Favourable raw material costs continue to support the group's margins.** Notably, there was a sharp drop in alumina prices (at US$355/tonne in 2Q25 vs US$518/tonne in 1Q25), which led to an alumina-to-aluminium cost ratio of 15% in 2Q25. The sequential drop in alumina prices was due to the easing of production disruptions and expectations of multiple refineries coming on stream. Based on our sensitivity analysis, every US$20/tonne increase to our 2025 alumina assumption of US$392/MT would reduce PMETAL's earnings by RM84m (or 4%), assuming no hedging is done on a fixed US$2,450/tonne aluminium price and vice versa. Meanwhile, carbon anode prices also eased slightly to Rmb5,000-5,500/MT by end 2Q25 (from Rmb5,600/MT). As of Aug 25, the group had hedged 60% of its aluminium prices at US$2,600/tonne for 2025, 45-50% at US$2,650/tonne for 2026, 38-40% at US$2,700/tonne for 2027 and 20% at US$2,750/tonne for 2028.

- **Ongoing supply disruptions continue to support LME aluminium prices.** We expect supply constraints to persist, primarily driven by muted production growth outside China. Within China, the 45.5m-tonne production cap and removal of VAT tax rebates on over 5m tonnes of VAT aluminium exports further restrict output and exports. In addition, the US recently reinstated and raised tariffs to 50% on all aluminium imports, tightening trade flows and underscoring a broader trend of deglobalisation that is likely to exacerbate global supply-side pressures. These factors are reflected in LME aluminium inventory levels, which currently stand at 473,000 tonnes (-24% ytd), well below the pre-COVID-19 norm of 1m-2m tonnes.

- **Additional alumina refineries coming on stream in 2025-27 to drive growth.** With Nanshan Aluminium's listing providing access to capital markets, its first 1m tonnes p.a. of alumina refinery capacity is already operating now, followed by another 1m tonnes p.a. in 2H26. Additionally, PMETAL has entered into a JV with KAN to establish a new alumina refinery with an initial capacity of 1m-1.2m tonnes p.a.. While details are limited at this stage, our preliminary estimates indicate that the JV could contribute at least RM250m-500m in profit to PMETAL through its 80% stake, assuming: a) a normalised alumina price of US$300-400/tonne, and b) a similar cost structure with Nanshan Aluminium.

EARNINGS REVISION/RISK

- No changes to our earnings.

- Note that our LME aluminium price assumptions for 2025/26/27 remain unchanged at US$2,450/tonne, US$2,500/tonne and US$2,550/tonne respectively, vs Bloomberg consensus of US$2,560/tonne, US$2,600/tonne and US$2,650/tonne.

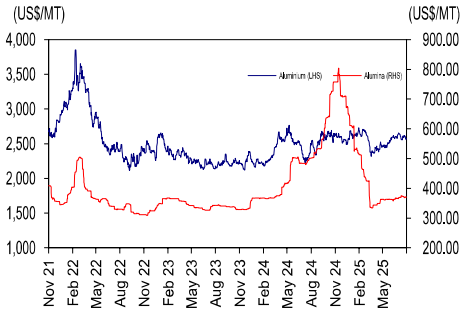
VALUATION/RECOMMENDATION

- **Maintain BUY with a higher target price of RM7.00,** based on 27.0x 2026F PE (from 24x), which is back to its five-year forward PE mean as greater visibility has been attained on the impact of US tariffs. In addition, the group is undertaking a multi-year expansion of its alumina refinery in Indonesia. Should aluminium prices swing from our conservative forecast, based on our sensitivity analysis, every US$100/tonne increase to our current spot aluminium price assumption of US$2,450/tonne in 2025 would increase PMETAL's earnings by 14% annually, assuming alumina costs of US$392/MT (implying around 16.0% cost ratio) and carbon anode prices of Rmb5,000/MT.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) UPDATES

• **Environmental**
- Smelting plants use electricity generated predominantly from hydroelectric power.
- To achieve: a) 15/30% GHG reduction by 2025/30 from 2020, b) carbon neutrality by 2050, and c) 10% water withdrawal reduction by 2030 from 2016.
• **Social**
- Established group-wide targets in 2018 to increase women's participation in managerial positions to 30% and increased females in workforce to 20%.
- In 2020, the group recorded zero work fatalities, with 24% of managerial roles held by women and 14% of workforce comprised of females.
• **Governance**
- The company has in place an Anti-Bribery and Anti-Corruption Policy which is in line with Section 17A of the MACC Act 2009.
- There were zero whistleblowing and bribery instances in 2020.

ALUMINIUM AND ALUMINA SPOT PRICES



Source: Bloomberg

KEY ASSUMPTIONS

Year to 31 Dec	2024	2025F	2026F	2027F
Current assumptions				
Production volume (MT p.a.)	1,080,000	1,080,000	1,080,000	1,080,000
Aluminium spot price (US$)	2,400	2,450	2,500	2,550
All-in aluminium price (US$)	2,637	2,660	2,710	2,760
MJP Premium	237	210	210	210
Alumina (US$/tonne)	495	392	375	383
EBIT margin (%)	13.7	14.8	14.9	14.1
US$/RM rate	4.50	4.40	4.40	4.40
Effective Tax Rate (%)	11.0	13.0	13.0	13.0

Source: PMETAL, UOB Kay Hian

SENSITIVITY ANALYSIS

- **Alumina:** Every US$20/tonne reduction from our alumina assumption of US$392/tonne in 2025 would increase PMETAL's earnings by RM84m, assuming that no hedging is done on a fixed US$2,450/tonne aluminium price, and vice versa.

- **Aluminium:** Every US$100/tonne increase to our current spot aluminium price assumption of US$2,450/tonne in 2025 would increase PMETAL's earnings by 14% annually, assuming alumina cost of US$392/MT (implies around 16.0% cost ratio) and carbon anode prices of Rmb5,000/MT.

Source: PMETAL, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (RMm)	2024	2025F	2026F	2027F
Net turnover	**14,909.6**	**15,339.2**	**16,019.9**	**16,964.6**
EBITDA	2,784.3	3,000.8	3,209.0	3,546.1
Deprec. & amort.	739.4	515.4	558.3	598.3
EBIT	2,044.9	2,485.4	2,650.7	2,947.8
Associate contributions	559.2	387.0	486.3	605.0
Net interest income/(expense)	(211.1)	(154.8)	(157.0)	(128.2)
Pre-tax profit	**2,301.2**	**2,717.6**	**2,981.0**	**3,426.6**
Tax	(180.8)	(353.3)	(387.5)	(445.5)
Minorities	(358.9)	(424.4)	(452.7)	(504.0)
Net profit	**1,761.4**	**1,939.9**	**2,140.8**	**2,477.2**
Net profit (adj.)	1,853.2	1,939.9	2,140.8	2,477.2

BALANCE SHEET

Year to 31 Dec (RMm)	2024	2025F	2026F	2027F
Fixed assets	7,045.3	7,679.9	8,271.6	8,823.3
Other LT assets	3,382.6	3,866.6	4,524.5	5,403.9
Cash/ST investment	1,508.7	950.3	778.6	854.0
Other current assets	4,748.3	5,263.3	5,454.2	5,668.3
Total assets	**16,685.0**	**17,760.2**	**19,028.9**	**20,749.6**
ST debt	1,842.5	1,542.5	1,242.5	942.5
Other current liabilities	1,498.9	1,371.5	1,240.8	1,288.1
LT debt	2,028.0	1,728.0	1,428.0	1,128.0
Other LT liabilities	972.4	972.4	972.4	972.4
Shareholders' equity	8,507.7	9,906.3	11,490.4	13,320.5
Minority interest	1,835.5	2,239.5	2,654.8	3,098.1
Total liabilities & equity	16,685.0	17,760.2	19,028.9	20,749.6

CASH FLOW

Year to 31 Dec (RMm)	2024	2025F	2026F	2027F
Operating	**2,400.5**	**1,890.3**	**2,291.8**	**2,596.7**
Pre-tax profit	2,301.2	2,697.2	2,937.9	3,352.3
Tax	(180.8)	(350.6)	(381.9)	(435.8)
Deprec. & amort.	739.4	515.4	558.3	598.3
Associates	(559.2)	(484.0)	(657.9)	(879.5)
Working capital changes	(405.2)	(642.4)	(321.6)	(166.9)
Other operating cashflows	505.2	154.8	157.0	128.2
Investing	**(718.2)**	**(1,150.0)**	**(1,150.0)**	**(1,150.0)**
Capex (growth)	(736.4)	(1,150.0)	(1,150.0)	(1,150.0)
Investments	517.2	1,001.2	1,659.1	2,538.5
Others	(503.6)	(1,001.2)	(1,659.1)	(2,538.5)
Financing	**(1,392.8)**	**(1,298.8)**	**(1,313.5)**	**(1,371.2)**
Dividend payments	(576.8)	(543.9)	(556.6)	(643.0)
Proceeds from borrowings	0.0	0.0	0.0	0.0
Loan repayment	(550.0)	(600.0)	(600.0)	(600.0)
Others/interest paid	(266.0)	(154.8)	(157.0)	(128.2)
Net cash inflow (outflow)	**289.5**	**(558.4)**	**(171.8)**	**75.5**
Beginning cash & cash equivalent	**1,228.0**	**1,431.8**	**950.3**	**778.6**
Changes due to forex impact	(85.8)	77.0	0.0	0.0
Ending cash & cash equivalent	**1,431.8**	**950.3**	**778.6**	**854.0**

KEY METRICS

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	18.7	19.0	18.9	19.3
Pre-tax margin	15.4	17.7	18.6	20.2
Net margin	11.8	12.8	13.5	14.9
ROA	11.0	11.3	11.6	12.4
ROE	22.8	21.1	20.0	19.9
Growth				
Turnover	8.0	2.0	4.0	4.7
EBITDA	18.4	3.6	3.8	6.8
Pre-tax profit	41.0	17.2	8.9	14.1
Net profit	45.1	10.3	10.2	15.5
Net profit (adj.)	50.7	4.8	10.2	15.5
EPS	50.7	4.8	10.2	15.5
Leverage				
Debt to total capital	27.2	21.2	15.9	11.2
Debt to equity	45.5	33.0	23.2	15.5
Net debt/(cash) to equity	27.8	23.4	16.5	9.1
Interest cover (x)	13.2	18.6	19.1	24.9

Disclosures/Disclaimers

This report is prepared by UOB Kay Hian Private Limited ("UOBKH"), which is a holder of a capital markets services licence and an exempt financial adviser in Singapore.

This report is provided for information only and is not an offer or a solicitation to deal in securities or to enter into any legal relations, nor an advice or a recommendation with respect to such securities.

This report is prepared for general circulation. It does not have regard to the specific investment objectives, financial situation and the particular needs of any recipient hereof. Advice should be sought from a financial adviser regarding the suitability of the investment product, taking into account the specific investment objectives, financial situation or particular needs of any person in receipt of the recommendation, before the person makes a commitment to purchase the investment product.

This report is confidential. This report may not be published, circulated, reproduced or distributed in whole or in part by any recipient of this report to any other person without the prior written consent of UOBKH. This report is not directed to or intended for distribution to or use by any person or any entity who is a citizen or resident of or located in any locality, state, country or any other jurisdiction as UOBKH may determine in its absolute discretion, where the distribution, publication, availability or use of this report would be contrary to applicable law or would subject UOBKH and its connected persons (as defined in the Financial Advisers Act, Chapter 110 of Singapore) to any registration, licensing or other requirements within such jurisdiction.

The information or views in the report ("Information") has been obtained or derived from sources believed by UOBKH to be reliable. However, UOBKH makes no representation as to the accuracy or completeness of such sources or the Information and UOBKH accepts no liability whatsoever for any loss or damage arising from the use of or reliance on the Information. UOBKH and its connected persons may have issued other reports expressing views different from the Information and all views expressed in all reports of UOBKH and its connected persons are subject to change without notice. UOBKH reserves the right to act upon or use the Information at any time, including before its publication herein.

Except as otherwise indicated below, (1) UOBKH, its connected persons and its officers, employees and representatives may, to the extent permitted by law, transact with, perform or provide broking, underwriting, corporate finance-related or other services for or solicit business from, the subject corporation(s) referred to in this report; (2) UOBKH, its connected persons and its officers, employees and representatives may also, to the extent permitted by law, transact with, perform or provide broking or other services for or solicit business from, other persons in respect of dealings in the securities referred to in this report or other investments related thereto; (3) the officers, employees and representatives of UOBKH may also serve on the board of directors or in trustee positions with the subject corporation(s) referred to in this report. (All of the foregoing is hereafter referred to as the "Subject Business"); and (4) UOBKH may otherwise have an interest (including a proprietary interest) in the subject corporation(s) referred to in this report.

As of the date of this report, no analyst responsible for any of the content in this report has any proprietary position or material interest in the securities of the corporation(s) which are referred to in the content they respectively author or are otherwise responsible for.

IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report was prepared by UOBKH, a company authorized, as noted above, to engage in securities activities in Singapore. UOBKH is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution by UOBKH (whether directly or through its US registered broker dealer affiliate named below) to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). All US persons that receive this document by way of distribution from or which they regard as being from UOBKH by their acceptance thereof represent and agree that they are a major institutional investor and understand the risks involved in executing transactions in securities.

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through UOB Kay Hian (U.S.) Inc ("UOBKHUS"), a registered broker-dealer in the United States. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through UOBKH.

UOBKHUS accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to and intended to be received by a U.S. person other than a major U.S. institutional investor.

The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of UOBKHUS and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

Analyst Certification/Regulation AC

Each research analyst of UOBKH who produced this report hereby certifies that (1) the views expressed in this report accurately reflect his/her personal views about all of the subject corporation(s) and securities in this report; (2) the report was produced independently by him/her; (3) he/she does not carry out, whether for himself/herself or on behalf of UOBKH or any other person, any of the Subject Business involving any of the subject corporation(s) or securities referred to in this report; and (4) he/she has not received and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. However, the compensation received by each such research analyst is based upon various factors, including UOBKH's total revenues, a portion of which are generated from UOBKH's business of dealing in securities.

Reports are distributed in the respective countries or jurisdictions by the respective entities and are subject to the additional restrictions listed in the following table.

General	This report is not intended for distribution, publication to or use by any person or entity who is a citizen or resident of or located in any country or jurisdiction where the distribution, publication or use of this report would be contrary to applicable law or regulation.
Hong Kong	This report is distributed in Hong Kong by UOB Kay Hian (Hong Kong) Limited ("UOBKHHK"), which is regulated by the Securities and Futures Commission of Hong Kong. Neither the analyst(s) preparing this report nor his associate, has trading and financial interest and relevant relationship specified under Para. 16.4 of Code of Conduct in the listed corporation covered in this report. UOBKHHK does not have financial interests and business relationship specified under Para. 16.5 of Code of Conduct with the listed corporation covered in this report. Where the report is distributed in Hong Kong and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKHHK (and not the relevant foreign research house) in Hong Kong in respect of any matters arising from, or in connection with, the analysis or report; and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Hong Kong who is not a professional investor, or institutional investor, UOBKHHK accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.
Indonesia	This report is distributed in Indonesia by PT UOB Kay Hian Sekuritas, which is regulated by Financial Services Authority of Indonesia ("OJK"). Where the report is distributed in Indonesia and contains research analyses or reports from a foreign research house, please note recipients of the analyses or reports are to contact PT UOBKH (and not the relevant foreign research house) in Indonesia in respect of any matters arising from, or in connection with, the analysis or report.
Malaysia	Where the report is distributed in Malaysia and contains research analyses or reports from a foreign research house, the recipients of the analyses or reports are to contact UOBKHM (and not the relevant foreign research house) in Malaysia, at +603-21471988, in respect of any matters arising from, or in connection with, the analysis or report as UOBKHM is the registered person under CMSA to distribute any research analyses in Malaysia.
Singapore	This report is distributed in Singapore by UOB Kay Hian Private Limited ("UOBKH"), which is a holder of a capital markets services licence and an exempt financial adviser regulated by the Monetary Authority of Singapore.Where the report is distributed in Singapore and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKH (and not the relevant foreign research house) in Singapore in respect of any matters arising from, or in connection with, the analysis or report; and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Singapore who is not an accredited investor, expert investor or institutional investor, UOBKH accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.
Thailand	This report is distributed in Thailand by UOB Kay Hian Securities (Thailand) Public Company Limited, which is regulated by the Securities and Exchange Commission of Thailand.
United Kingdom	This report is being distributed in the UK by UOB Kay Hian (U.K.) Limited, which is an authorised person in the meaning of the Financial Services and Markets Act and is regulated by The Financial Conduct Authority. Research distributed in the UK is intended only for institutional clients.
United States of America ('U.S.')	This report cannot be distributed into the U.S. or to any U.S. person or entity except in compliance with applicable U.S. laws and regulations. It is being distributed in the U.S. by UOB Kay Hian (US) Inc, which accepts responsibility for its contents. Any U.S. person or entity receiving this report and wishing to effect transactions in any securities referred to in the report should contact UOB Kay Hian (US) Inc. directly.

Copyright 2025, UOB Kay Hian Pte Ltd. All rights reserved.

http://research.uobkayhian.com

RCB Regn. No. 197000447W